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JOINT INSPECTION UNIT

Extrabudgetary resources of the United Nations: towards transparency of presentation, management and reporting

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "Extrabudgetary resources of the United Nations: towards transparency of presentation, management and reporting" (JIU/REP/90/3).

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ANNEX

JIU/REP/90/3
Geneva, September 1990

EXTRABUDGETARY RESOURCES OF THE UNITED NATIONS: Towards transparency of presentation, management and reporting

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EXECUTIVE SUMMARY

The extrabudgetary resources made available to the United Nations Organization are of great magnitude. For 1990-1991, they are estimated at more than $US2.5 billion, and present complex and unexplored policy issues which require urgent solutions.

United Nations extrabudgetary activities are generally welcomed as an important and, in some cases, vital contribution to solving international political, economic and social problems. They raise hopes on the part of some Member States, but also cause concerns to some others. The most frequent questions are:

- Is it necessarily bad if extrabudgetary resources greatly exceed assessed contributions?
- Since the regular budget for the years to come will most probably tend to be a "zero growth budget", is it desirable that extrabudgetary resources continue to grow?
- Do extrabudgetary activities distort priorities of the United Nations and recipient countries?
- Does the increased use of extrabudgetary resources erode the mission of the United Nations and, if so, is there a danger that these activities might be curtailed?
- Are these funds used in the most efficient and economical way?
- Are some funds attractive in the short-term but detrimental to the functioning and image of the Organization in the long-term?
- Is there adequate reporting to Member States on the volume, management and results of extrabudgetary activities?
- Has there been too much or too little decentralization of authority and responsibility to field offices from Headquarters to establish and administer trust funds?
- Is the management of trust funds by offices away from Headquarters in accord with their reporting responsibilities?
- Does Headquarters have sufficient capacity to handle and process reports on extrabudgetary activities?

This list of questions could be much longer and, as such, could not be dealt with within the scope of one report. In the present report, the Inspectors have tried to initiate a policy discussion on these complex issues. In their view, a solution to these issues is to be found through the provision of adequate information to Member States of the United Nations. This information should be sufficient to:

- allow all Member States to judge whether the relevant activities are efficiently carried out and do not seriously distort the United Nations programme and policy priorities;
- provide accountability to donor countries and organizations for the funds which they have made available.

In this regard the Inspectors have formulated a number of recommendations. Some of these (Recommendations 2, 3, 4 and 5) require prompt action. Others will take a longer time to implement. The Inspectors are confident, however, that these recommendations will provide a proper start towards transparency of the United Nations financial and programming documentation on extrabudgetary resources.

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I. INTRODUCTION

1. One of the major financial developments in the United Nations in recent years is that its extrabudgetary resources have been increasing at a high rate. They have played a useful role in financing important activities of the United Nations and proved indispensable at the time of its financial crisis. Currently, extrabudgetary resources exceed assessed contributions by a substantial margin. The above explains the interest in - and a certain amount of concern with - these activities, as expressed by Member States and United Nations bodies, particularly the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Committee for Programme and Co-ordination (CPC).

2. The bulk of these United Nations activities is of an operational nature. They are appreciated by the world community, as they mobilize the potential and increase the capabilities of developing countries to promote economic and social advancement. The multilateral and "no strings attached" type of assistance provided by the United Nations, the worldwide experience acquired by it, and the grant terms have enhanced the importance of such assistance far beyond its monetary value. It is not surprising, therefore, that recipient countries generally advocate the necessity of continuity, predictability and increase in the volume of United Nations extrabudgetary resources. Two of the most recent United Nations Pledging Conferences were relatively encouraging.

3. A major component of extrabudgetary activities, which over the last two years has grown significantly and whose importance in the near future will most probably continue to expand, is the United Nations peace-keeping operations highly praised by the Member States of the Organization.

4. Nevertheless, some Member States, as well as intergovernmental and other bodies, especially ACABQ and CPC, in the light of the ever-increasing relative share of extrabudgetary resources as compared to that of assessed contributions, have repeatedly emphasized the need to define the role of extrabudgetary financing in the overall financial structure and to refine approval and reporting mechanisms. In this context, concern has also been expressed over the possibility of distorting the orientation and priorities of the Organization's activities as set by its legislative organs.

5. Member States also have a long-standing concern about insufficient financial control over extrabudgetary resources. External as well as internal auditors have observed the lack of financial and substantive control over extrabudgetary funds. Frequent instances of overlapping activities simultaneously funded from both regular and extrabudgetary resources have been identified, leading to the conclusion that Member States are sometimes being charged twice for the same output.

6. The Joint Inspection Unit, over the years, has issued several reports on technical co-operation activities, within which the above mentioned problems have been dealt with in varying degrees. In 1972, JIU issued a separate report 1/ confined to the problems relative to the United Nations trust funds,

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1/ Report on Trust Funds of the United Nations, prepared by Robert M.Macy, Joint Inspection Unit, Geneva, February 1972 (JIU/REP/72/1).

because of concern over the possible long-term implications of the upward trend of trust funds and inadequate attention paid to them by the Secretariat. At that time, such trust funds totalled $US 60 million. By comparison, the 1990-1991 estimated expenditure of the United Nations Fund for Drug Abuse Control alone amounts to approximately $US 130 million.

7. The present study is the first attempt by JIU to provide a systematic analysis of United Nations extrabudgetary resources. The subject is in keeping with operative paragraph 2 of General Assembly resolution 44/184 that the Joint Inspection Unit should "... give even greater attention to management, budgetary and administrative issues relevant to the agenda of the governing bodies of its participating organizations and to their main and common concerns". The report's format also attempts to comply with operative paragraph 6 of the same resolution which calls on the Unit "to make every effort to shorten its reports, using comparative tables and graphics whenever appropriate, and to include therein an executive summary of its recommendations in order to facilitate the consideration of its reports".

8. In the course of their examination, the Inspectors have found that lack of transparency of the documentation on extrabudgetary activities appears to be one of the major problems. Misunderstandings and concerns arise as a result of inadequate presentation of extrabudgetary resources in the programme budget, budget performance and programme performance reports, as well as in accounting reports and project documents. As early as in 1972, JIU found that, in a more detailed disclosure of trust fund activities to intergovernmental bodies, IAEA, FAO, ILO and WHO had moved further than the United Nations. Although the situation since then has been much improved, the Inspectors are of the view that much more needs to be done.

9. The Inspectors considered whether improved transparency in the presentation of information on extrabudgetary resources would encourage or discourage donors from making additional voluntary funds available to the United Nations. On balance, the Inspectors believe that a clearer picture of receipts and disbursements of extrabudgetary resources would tend to inspire confidence about the Organization's management of extrabudgetary resources, thereby enhancing the credibility of the Organization in this regard. This could, in the Inspectors' view, encourage donors to increase their contributions to the United Nations' extrabudgetary activities.

10. The data for this report were collected during visits to United Nations Headquarters, United Nations Office at Geneva (UNOG), United Nations Conference on Trade and Development (UNCTAD), Office of the United Nations High Commissioner for Refugees (UNHCR), Office of the United Nations Disaster Relief Co-ordinator (UNDRO), United Nations Environment Programme (UNEP), United Nations Centre for Human Settlements (HABITAT), two regional Economic Commissions, United Nations Development Programme (UNDP) Headquarters and other entities, departments and offices. The Inspectors held many discussions with United Nations officials involved in the use and management of United Nations extrabudgetary resources. They also had fruitful exchanges with some delegates and government officials from both donor and recipient countries as well as with external auditors. The Inspectors would like to express their appreciation to all those who assisted them in the preparation of this study.

11. The present report has been confined to the United Nations only. Additional studies might be made at later stages, bearing in mind the many important facets of this source of financing. The Inspectors hope that their report will be helpful to Member States as well as to the United Nations Secretariat.

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II. GENERAL CONCEPT OF UNITED NATIONS EXTRABUDGETARY RESOURCES

12. The extrabudgetary resources of the United Nations in broad terms are defined as funds from all other sources than those received from assessed contributions and revenue producing activities. In his Bulletin (ST/SGB/188 of 1 March 1982), the Secretary-General classified them in four broad categories:-

(a) Those which support or supplement the substantive work programmes of the Organization or activities of humanitarian and relief assistance;

(b) those which provide technical co-operation assistance to developing countries either through multilateral arrangements or through the United Nations system;

(c) those which finance peace-keeping operations 2/

(d) those which reimburse the Organization for support services and the use of its facilities.

Although peace-keeping operations are the fastest growing category, the study concentrates mainly on extrabudgetary resources under categories (a) and (b) since these have been of deep concern to the Fifth Committee, ACABQ and CPC. Category (d) is currently the subject of intensive discussion in the United Nations legislative organs, initiated on the basis of specific studies. Therefore, the Inspectors preferred not to include it in their analysis. However, they have made their observations as far as this important component of extrabudgetary resources is concerned (see paras. 52-54 below).

2/ At present, only the United Nations Peacekeeping Force in Cyprus (UNFICYP) is funded entirely by voluntary contributions through a special peace-keeping account. In the case of UNFICYP, troop contributing countries absorb approximately 70 per cent of the total costs with the balance made up from voluntary contributions of Member States. Other peace-keeping operations are financed by assessed contributions through special accounts, though modalities of financing are different. Thus, the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Angola Verification Mission (UNAVEM), the United Nations Iran-Iraq Military Observer Group (UNIIMOG) and the United Nations Observer Group in Central America (UNOCA) are financed through their respective special accounts. The assessments are based on a special "peace and security" scale, which places the 160 Member States in four categories: (a) the five permanent members of the Security Council which are assessed at a higher rate than their regular budget scale; (b) a group of 22 economically developed states is assessed at their regular budget rates; (c) a group of least developed states is assessed at approximately 10 per cent of their regular scale; and (d) the remaining members are assessed at approximately 20 per cent of their regular rates. The United Nations Truce Supervision Organization (UNTSO) and the United Nations Military Observer Group in India and Pakistan (UNMOGIP) are funded through assessed contributions as part of the United Nations regular budget. Additionally, Member States have provided support services and/or facilities to the overall peace effort (i.e. transportation, equipment, supplies, etc.) usually for start-up purposes on a voluntary basis.

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13. Apart from the aforementioned funds made available to the Organization on the basis of assessment for peace-keeping operations, the United Nations extrabudgetary resources represent voluntary contributions either in cash or in-kind. 3/ Their acceptance and management are governed by respective Financial Regulations and Rules. Thus Regulation 7.2 stipulates that "Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which contributions are made are consistent with the policies, aims and activities of the Organization, and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority". This regulation is more specifically spelled out by the Secretary-General in Rule 107.6 ("No voluntary contribution, gift or donation, for a specific purpose may be accepted if the purpose is inconsistent with the policies and aims of the United Nations") and Rule 107.7 (Voluntary contributions, gifts or donations, which directly or indirectly involve an immediate or ultimate financial liability for the Organization may be accepted only with the approval of the General Assembly"). In cases other than those approved by the General Assembly, the establishment of any trust fund or the receipt of any voluntary contribution, gift or donation to be administered by the United Nations requires the approval of the Secretary-General, who may delegate this authority to the Under-Secretary-General for Administration and Management. This move is provided for in Rule 107.5.

14. With the full co-operation of the Office of the Controller in New York, the Inspectors attempted to get some idea of the magnitude of voluntary contributions in-kind. This type of contribution affects peace-keeping activities in the main. The Inspectors, however, were not in a position to explore this aspect of extrabudgetary funds in depth, but gained the impression that some practical difficulties exist with respect to voluntary contributions in kind. The following observations and facts are examples of what the Inspectors have in mind:

(a) the United Nations Financial Regulations 7.2 and 7.3 contain the same provisions for voluntary contributions either in cash or in kind. However, in some cases special provision is made in the Financial Rules of the entity concerned, in that different ways of accounting are applied. For example, voluntary contributions in-kind are recorded in UNHCR and UNRWA as income and expenditure, and are shown separately from cash contributions, whereas these contributions are not considered in the United Nations as income and are recorded only in footnotes to the financial statements. This fact suggests that the United Nations Financial Regulations and Rules might need to be more explicit on this point.

(b) The process of deciding the value of the contributions in kind is not sufficiently clear.

In this connection, it is worth noting that the Secretariat has prepared draft technical guidelines for the treatment and valuation of voluntary contributions in the form of supplies and services which constitute a very

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3/ Financial Regulations and Rules of the United Nations (see ST/SGB/Financial Rules/1/Rev.3 (1985).

good basis to deal with the above-mentioned difficulties 4/. As the United Nations Board of Auditors is going to devote more attention to extrabudgetary funds, the Board should with the collaboration of the Office of the Controller be able to explore further all aspects of voluntary contributions in kind.

15. The General Assembly established that any moneys accepted for purposes specified by the donor should be treated as trust funds or special accounts (Regulation 7.3).

16. Trust funds are defined as accounts established with specific terms of reference or under specific agreements to record receipts and expenditures of voluntary contributions for the purpose of financing wholly or in part the cost of activities. The organization is responsible for the funds. It is also responsible to donors for the use of their contributions under trust fund agreements, but it may assume no additional financial liability through such arrangement without prior agreement of the appropriate governing organ.

17. In the United Nations, trust funds are classified as (a) General trust funds: Any trust funds other than those established exclusively for technical co-operation purposes; and (b) Technical co-operation trust funds: Trust funds established to finance specific projects of technical co-operation.

18. Special accounts 5/, unlike trust funds, are those established to record receipts and expenditures to which it is desired to give separate identification, in view of the importance of the related activities to Member States, for purposes of financial management or for other reasons.

19. The original concept of United Nations extrabudgetary contributions, as approved by the General Assembly 15 years ago, is still valid and has been relatively well observed by the Secretariat. There are two basic ideas, namely, to facilitate and encourage the commitment of donors to strong and growing multilateral co-operation, and to supplement a given activity financed from assessed contributions or to finance very useful and desirable projects and programmes, funding for which is not available from the regular budget.

4/ Financing of the United Nations Iran-Iraq Military Observer Group. Voluntary contributions of supplies and services. Report of the Secretary-General (A/44/624). See Annex I, United Nations peace-keeping operations: draft technical guidelines for voluntary contributions of supplies and services.

5/ Examples of special accounts are:-

(a) Special accounts for peace-keeping activities financed by assessment on Member States or by voluntary contributions.

(b) Special accounts for activities arising from the enactment of international instruments. These are normally financed by the States parties to the instruments concerned (e.g. the Convention on the Elimination of All Forms of Racial Discrimination).

(c) Special accounts for programme support activities.

III. EXTRABUDGETARY RESOURCES IN THE FINANCIAL STRUCTURE OF THE UNITED NATIONS DURING THE 1980s

A. The problem of transparency

20. As mentioned in the Introduction to this report, the United Nations Member States, the Advisory Committee on Administrative and Budgetary Questions , the Committee for Programme and Co-ordination and the Secretariat itself are ever more interested in the role extrabudgetary resources play in the whole range of United Nations activities. No one is, at present, in a position to describe that role clearly and fully, the main reason being inadequate, non-transparent presentation of these resources in the Organization's financial documentation. Indeed, even the most conscientious and patient reader of this documentation will find it difficult, if not impossible, to get a clear-cut picture of the magnitude of extrabudgetary resources made available to the Organization, their sources, distribution and actual use. That is why the representatives of some Member States suggested that a "split budget" might be a good solution. The Inspectors do not share this point of view because of the significant programmatic and financial implications involved.

21. Apart from numerous documents containing incomplete and fragmented data, there exist three regular sources from which systematic information can be drawn, i.e. (a) the ACC report on expenditures of the United Nations system in relation to programmes; (b) the United Nations proposed programme budget for the biennium; and (c) the United Nations financial accounts. However, these also have certain deficiencies which are described hereunder.

(i) ACC report

22. A prompt analysis of expenditures of regular budget and extrabudgetary funds by organizations, including the United Nations, can be made from the first document, appearing in July after the respective biennium is over, and consisting essentially of tables and related footnotes. However, since expenditure in this document is reported on the basis of the ACC inter-organizational classification of programmes (natural resources, industry, transport and communication, etc.), which is different from that applied in the United Nations programme budget, it can hardly be useful and sufficient for an accurate examination of the extrabudgetary side of the United Nations activities.

(ii) Proposed programme budget

23. In a number of its studies, including in particular "Reporting on the performance and results of United Nations programmes: monitoring evaluation and management review components" (JIU/REP/88/1; A/43/124), the Joint Inspection Unit noted considerable progress made by the Organization in developing programme plans and budgets. The 1990-1991 programme budget, the first presented to Member States in accordance with the new budget process, as adopted in General Assembly resolution 41/213 was, in this respect, a further step forward. As ACABQ has already observed, resource requirements in a number of sections, at sub-programme level, include comparative percentages with the previous biennium for both regular and extrabudgetary resources. Also, indications of financing through extrabudgetary resources are given for programme elements and/or outputs when it is expected that such financing will represent more than 50 per cent of total requirements.

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24. For a number of reasons, similar to ACC report (see para. 22 above) the United Nations proposed programme budget is also inadequate for scrutiny of extrabudgetary activities . First, it only provides indications of extrabudgetary resources "representing the best available estimates". Taking into account the fact that the document is usually prepared a year before the respective biennium begins, the accuracy of these figures suffers accordingly. Second, the content of the information contained in the proposed programme budget is extremely limited. Thus, for example, individual outputs are not costed, nor are new programme elements and outputs identified; in a number of cases, no reference is made to previously identified and continuing extrabudgetary outputs which hamper comparisons with previous biennia. Third, improvement of other aspects of budget presentation is also needed. As ACABQ observed in its latest report "the distribution of requirements within sections, between executive directions and management, programmes of activity and programme support is often arbitrary. Moreover, the line, in terms of programme description, between substantive and operational activities is becoming increasingly blurred. These shortcomings which are particularly evident in the submission of the estimates of the regional commissions, preclude an analysis of the proposed requirements and rates of growth related to the various proposed activities". Fourth, an analysis of the information on extrabudgetary resources is practically non-existent. Member States are not even given an idea of major trends in the development of extrabudgetary activities. In this connection, Member States, on several occasions, have insisted on a better disclosure of extrabudgetary activities in the programme budget. For this reason, for example, paragraph 43 of the General Assembly resolution 32/197 on Restructuring of the economic and social sectors of the United Nations system refers to the provision of full information on extrabudgetary resources in the programme budgets. 6/

25. In his statement to the Fifth Committee on 24 October 1989, the Acting Under-Secretary-General for Administration and Management, referring to the question of voluntary contributions and the treatment of extrabudgetary resources in the proposed programme budget, acknowledged that "a lot has to be done from the viewpoints of transparency and control". He also observed that in terms of better treatment of extrabudgetary funds in the programme budget, the Secretariat aimed at improvements in the next budget.

(iii) Financial accounts

26. The financial accounts include data on income, total expenditures, and the unobligated balance relative to each trust fund. In accordance with financial regulation 11.4 7/, they are submitted by the Secretary-General to the Chairman of the Board of Auditors. Subsequently, the Financial Report and Audited Financial Statements for the biennium and Report of the Board of Auditors is presented by the Chairman of the Board of Auditors to the General Assembly. In addition, a volume containing schedules of individual trust funds is made available to the Board of Auditors, the ACABQ and interested delegations. However, this volume is not made generally available and it is published only in English.

6/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 15(A/32/15), p.125.

7/ See ST/SGB/Financial Rules/1/Rev.3(1985), p.43.

B. Possible improvements in presentation of extrabudgetary resources

27. What are the improvements that Member States, ACABQ and CPC wish to be made in the presentation of extrabudgetary resources in the United Nations documentation?

(i) Member States' views

28. On many occasions Member States of the United Nations have deplored insufficient discussion on the use of extrabudgetary resources by the Organization and indicated that they wished to have more information on:

(a) trends in extrabudgetary voluntary resources as a means of financing United Nations activities, in particular in areas of activity which are normally financed from assessed contributions;

(b) development of trust funds and so-called sectoral funds in terms of their number and resources involved: how these funds are represented in different areas of United Nations activity and how their size has developed over a certain period of time compared to the increase of regular budget resources;

(c) whether the implementation of the ongoing administrative and budgetary reform has accelerated the increase of extrabudgetary funds;

(d) whether the increase in extrabudgetary posts compensated the reduction in the regular budget;

(e) the role of intergovernmental organs in assessing the need for extrabudgetary resources and in determining their use;

(f) how voluntary contributions, and trust funds in particular, have affected the setting of priorities in the United Nations programmes and the implementation of various programmes;

(g) development of the relationship between assessed budget activities and those financed by voluntary contributions;

(h) whether they are sliding away from the Charter's principle of collective responsibility in the financing of United Nations activities.

(ii) ACABQ's views

29. The extrabudgetary aspect of United Nations activities has been an area of importance to the Advisory Committee for many years, particularly with regard to the receipt, management of, and accounting for extrabudgetary funds. The General Assembly's discussions on the two recently proposed programme budgets revealed that the position of ACABQ in this respect was one of great concern, and there was a strong desire to correct the situation.

30. In its report on the Secretary-General's proposed programme budget for the biennium 1988-1989 (A/42/7), ACABQ stated that it intended "to pay specific attention in future to the extrabudgetary side of the United Nations expenditure, including accuracy of the methodology currently used to forecast the level of extrabudgetary resources. In view of the magnitude of the resources involved, the Advisory Committee believes that it is essential to define precisely the role of extrabudgetary financing in the overall financial structure of the United Nations. It is also essential to refine approval and reporting mechanisms so as to ensure that these expenditures are subject to a greater measure of scrutiny and control".

31. In its report on the Secretary-General's proposed programme budget for the biennium 1990-1991 (A/44/7) the Advisory Committee considered, inter alia, the role and utilization of extrabudgetary resources by the United Nations. The Advisory Committee stated in paragraph 81 of its report that "the level of extrabudgetary resources available to the United Nations has increased over the years ... and include not only payment of support costs for services in support of other United Nations organizations and extrabudgetary programmes but increasingly consist of trust funds to finance substantive activities and operational projects". It also pointed out that extrabudgetary resources additional to those reported in the proposed programme budget are quite often received during the course of a biennium and these resources can have an impact not only on the work programme but on the ordering of priorities as well. Therefore, it was important for the General Assembly to be informed of these developments and of the consequential effect on the work programme. The Advisory Committee requested the Secretary-General to devise a means to convey this information to the General Assembly in a timely fashion, perhaps in the context of the performance reports on the regular budget.

32. The Advisory Committee stressed in its report the following:

(a) the need to refine approval and reporting mechanisms so as to ensure that extrabudgetary expenditures are subject to a greater measure of scrutiny and control; and

(b) the need to conduct a thorough review of all extrabudgetary programmes so as to bring to light and record the Secretariat's participation in activities funded directly by governments and to ensure that adequate procedures are instituted to deal with such cases.

(iii) CPC's views

33. The Committee for Programme and Co-ordination, when considering the proposed programme budget for 1990-1991, also gave considerable attention to the question of extrabudgetary resources and expressed dissatisfaction over the manner in which such resources were treated, particularly in relation to the implementation of mandated activities and the establishment of priorities within sub-programmes. The CPC recommended that a solution to the methodological issues related to the programmatic impact of extrabudgetary resources be explored 8/.

8/ For the relevant comments and conclusions of CPC, see document A/44/16, paras. 41, 56 and 69.

34. Taking into account the fact that serious discussions on United Nations extrabudgetary resources have been taking place in the above-mentioned fora in recent years, the Inspectors consider it useful, after assessing briefly the situation during the 1980s, to concentrate on the factors which hinder the expressed desire of Member States concerning extrabudgetary resources. Some major aspects of the core issues are analysed in Chapter IV.

C. Evolution of the flow of extrabudgetary resources to the United Nations

35. The middle of the fifties witnessed a considerable increase in inflow of extrabudgetary resources into the United Nations budget. This was mainly attributable to the shift in Member States policy from primary reliance on the assessed contributions to voluntary contributions in order to finannce some activities of the United Nations family, mainly of economic and social character.

36. Initially, this shift largely took the form of annual voluntary contributions by many Member States to finance such organizations as UNHCR, UNDP, UNICEF and the World Food Programme. Later, there was a trend towards voluntary contributions, not to United Nations organizations as such, but to individual projects and programmes included in the regular programme of work and country programmes of these organizations.

37. The major reasons underlying the shift to extrabudgetary financing, as identified in the JIU "Report on Trust Funds of the United Nations" (JIU/REP/72/1), have not lost their validity. Firstly, many large contributors continue to prefer financing separate operations rather than allotting large sums for operations under an arrangement where each member country has one vote. Secondly, the United Nations policy to attract resources from a variety of channels, not just assessed contributions, continues to be pursued. Thirdly, the reliance on multilateral planning, programming and co-operation for bilateral programmes remains strong, and hybrid bilateral programmes administered by multilateral agencies are a rather frequently occurring phenomenon. The cases in point are those of Italy and Japan, for example. Thus, in 1988, Italy planned to channel almost 50 per cent of its development aid through multilateral agencies and an important share of these resources was supposed to be spent on United Nations programmes. Japan considers channelling the bulk of its assistance through the United Nations as an important element of its national policy. The statements to this effect were made during the discussions in the General Assembly by their respective representatives.

38. Additionally, the shift to extrabudgetary contributions can be regarded as a reflection of the wish of the donor community and many recipient governments for multilateral co-operation to focus on newly emerging issues (e.g. drug control, environment, human rights) that tend to receive relatively low initial priority in the overall distribution of United Nations resources. Also, the United Nations financial crisis has, in one way or another, encouraged both the recipient governments and organizations of the United Nations system to look elsewhere for additional resources required to implement agreed projects and programmes.

Table 1

United Nations Regular and Extrabudgetary Resources
during the 1980s
($US million)

Resources	BIENNIA											
	1980-1981		1982-1983		1984-1985		1986-1987		1988-1989		1990-1991	
	Amount	% of total	Amount	c/ Growth (%)	Amount	c/ Growth (%)	Amount	c/ Growth (%)	Amount	c/ Growth (%)	Amount	c/ Growth (%)
Net Regular budget a/	1100	44.6	c/ 1215	10.4	1310	7.8	1407	7.4	1444	2.6	1631	12.9
Extrabudgetary resources b/	1368	55.4	2126	55.4	1873	-11.9	2249	20.0	2029	-9.8	2547	24.9
Total net budget	d/ 2469	100.0	d/ 3342	35.4	3183	-5.3	3656	14.7	3473	-5.0	4178	19.9

Footnotes:

a/ Regular budget figures for each biennium, except for 1990-1991, represent appropriations as contained in the subsequent Proposed Programme Budget (e.g. 1988-1989 appropriations were drawn from the 1990-1991 Proposed Programme Budget). Also totals shown are net of income and staff assessment.

b/ Figures for extrabudgetary resources for each biennium, except for 1990-1991, represent estimated expenditures as contained in the subsequent Proposed Programme Budget (e.g. 1988-1989 estimated expenditures were drwan from the 1990-1991 Proposed Programme Budget).

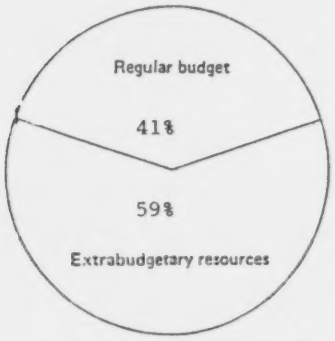
c/ As the amounts quoted in the first column are not in constant dollars, growth figures include inflation and currency exchange factors (or are affected by inflation and currency exchange factors).

d/ Overall totals differ from the sum of the two corresponding figures due to rounding.

Source: Proposed Programme Budgets for the respective biennia.

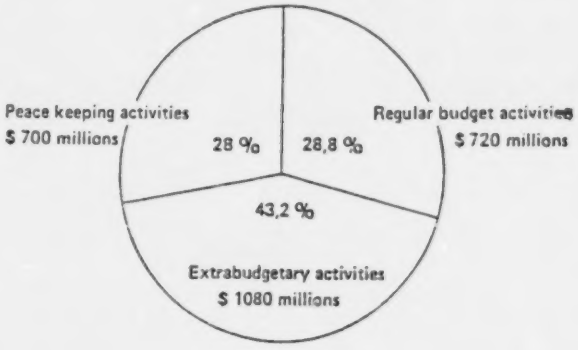
39. As a result of these trends, the rates of growth of extrabudgetary resources generally exceeded those provided in terms of assessed contributions. The table above suggests that 1982-1983 witnessed an unprecedented rise - 55.4 per cent - of extrabudgetary resources over the preceding biennium. In 1984-1985, the extrabudgetary funds fell by 11.9 per cent, while in 1986-1987 they increased by 20.0 percent. The Regular budget resources in both biennia increased only moderately (7.8 and 7.4 per cent, respectively). In 1988-1989, extrabudgetary resources fell again by 9.2 per cent against 2.6 per cent increase of the regular budget. The estimates for 1990-1991 9/ show that an increase of almost 25 per cent is expected for the former, while net regular budget would rise by 13 per cent. The table also suggests that in the ten year period - from the biennium 1980-1981 to 1990-1991 - the extrabudgetary resources (excluding peacekeeping) would increase by 86.2 per cent, whereas the regular budget resources within the same period would increase by 48.3 per cent.

UNITED NATIONS PROGRAMME BUDGET, 1988-1989



Graph 1

UNITED NATIONS OVERALL FINANCING, 1989.



Graph 2

40. Despite fluctuations in growth rates of both extrabudgetary and regular budget resources, the former grew faster, which, over the years, has resulted in the share of extrabudgetary resources to attain the level of more than 59 per cent of the United Nations overall financing. If peacekeeping activities are also included, it would reduce further the share of the regular budget resources. Thus, as graph 2 above suggests, in 1989, the United Nations expenses on peacekeeping activities amounted to $US 700 million, i.e. were almost equal to the regular budget resources for that year ($US 720 million). With $US 1,080 million spent on extrabudgetary activities, this would imply that the regular budget resources represent only about 28.8 per cent in the United Nations overall financing, peacekeeping operations about 28.0 per cent, and other extrabudgetary activities 43.2 per cent.

9/ The grand total, including the net estimate for regular budget is $US 4,179,105,300. The estimates exclude the costs of operations that are assessed separately (UNDOF, UNIFIL, UNIIMOG, UNAVEM and UNTAG) or funded on a voluntary basis (UNFICYP); whether or not such costs arise in 1990-1991 will depend on decisions to be taken by the Security Council.

Table 2

United Nations extrabudgetary resources by major category
($US million)

	82-83	84-85	86-87	88-89	90-91
I. Extrabudgetary resources:					
Programme support:					
UNIDO	26	23	23	-	-
UNEP	-	12	10	12	1
UNHCR	-	77	77	97	116
Other	75	52	80	88	100
	101	164	190	197	217
Substantive activities:					
[illegible]	50	16	15	15	15
UNHCR	65	-	-	-	-
Other	50	34	25	59	76
	165	50	40	74	91
Sub-total:	266	214	230	271	308
Operational activities:					
UNRWA	461	540	571	420	486
UNIDO	193	167	176	-	-
UNEP	71	80	59	59	93
UNHCR	629	699	723	796	996
Other	506	173	490	483	650
	1860	1659	2019	1758	2225
Total:	2126	1873a/	2249	2029	2533
II. Regular Budget:	1215b/	1310	1407	1444	1631

a/ Original budget excludes DTCD.
b/ Includes UNIDO - $US 84 million.

Source: Data provided by Accounts Division, OPPBF.

41. The table above shows the breakdown of the United Nations extrabudgetary resources by major category. As the table suggests the bulk of extrabudgetary resources (about 87 per cent) is spent on operational activities, i.e. those which provide assistance to countries and take the form of technical co-operation or relief and other humanitarian projects. Substantive activities defined as those which support or supplement approved programmes of the United Nations financed by the regular budget, represent, according to the data contained in the United Nations programme budget, 8-9 per cent of the total extrabudgetary resources. The rest (5-4 per cent) is used for programme support activities.

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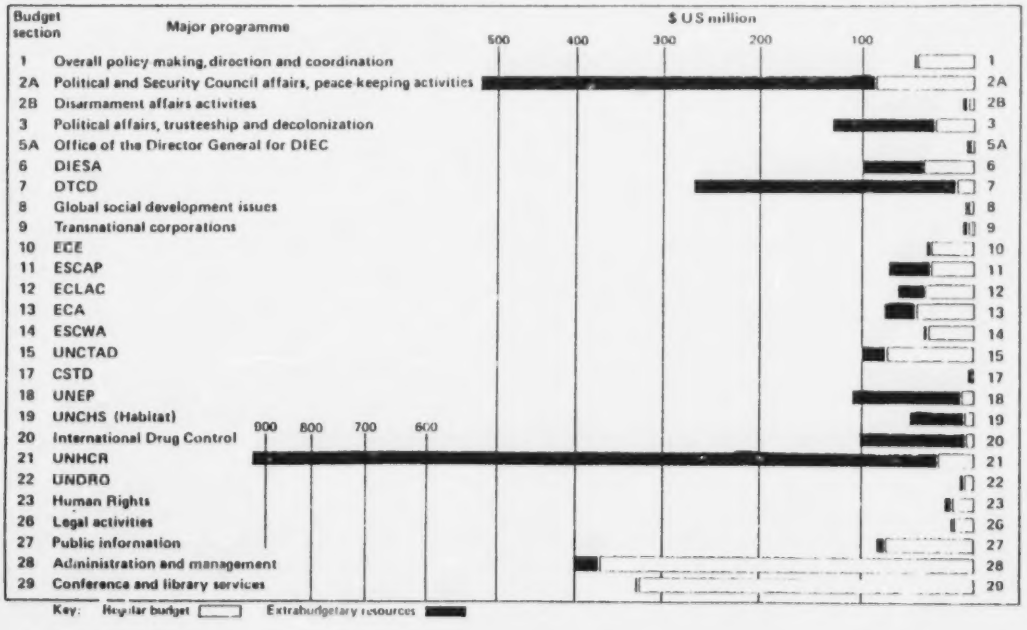
D. Distribution of extrabudgetary resources and their impact on priorities

42. In the course of the forty-fourth session of the General Assembly a number of delegations repeated their long-standing concern over the difficulty of relating the proposed use of extrabudgetary resources with the implementation of the mandated programme of the Organization. The analysis suggested below is intended to partially overcome this obstacle. It is based on a synoptic table (see Annex I) showing allocations of regular budget and extrabudgetary resources during the 1980s, by section of the programme budget, and on graph 3 which presents similar data in respect of the 1988-1989 budget. Both the table and the graph are revealing to the extent that they not only identify the relevant allocations among various parts and sections of the programme budget, but also reflect the relative importance of activities financed from extrabudgetary resources vis-à-vis regular budget activities and thus, to a certain degree answer the question of how extrabudgetary activities affect the priorities established by the legislative bodies of the Organization. In this connection, it will be recalled that in the United Nations Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation 10/, priority is defined as preferential rating for the allocation of limited resources. Thus activities with highest priority are those that would be conducted even if total resources were significantly curtailed; activities with lowest priority are those that would be curtailed or terminated if all anticipated resources were not available or if activities with higher priority had to be commenced or expanded.

Graph 3

UNITED NATIONS Programme Budget, 1988 1989



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10/ Doc. ST/SGB/PPME Rules/1(1987), p.32.

43. Annex I and graph 3 suggest that in Part I of the Programme Budget "Overall policy-making, direction and coordination" extrabudgetary resources represent about 4 per cent ($US 1955.0 thousand in 1988-1989) of the total costs. The bulk of those resources is used for services in support of other United Nations organizations ($US 960.7 thousand) and extrabudgetary programmes, including technical cooperation activities ($US 106.0 thousand), United Nations Peace-keeping Force in Cyprus ($US 453.4 thousand) and United Nations Interim Force in Lebanon ($US 214.9 thousand). The rest comprises the costs incurred relative to the activities of the World Food Council Trust Fund.

44. With respect to Section 2A, "Political and Security Council Affairs, peace-keeping activities" (Part II of the Programme Budget), in 1988-1989, extrabudgetary funds exceeded by 4.8 times the allocated regular resources. In the 1990-1991 budget period, the corresponding proportion is expected to become 5.6 to 1. Education, health and relief services provided by United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) practically account for the totality of extrabudgetary resources used in this section of the budget. In connection with Part II of the budget, the trend of a rapid increase of extrabudgetary resources for disarmament affairs activities is worth noting. Beginning with the 1984-1985 programme budget (previously no extrabudgetary funds had been allocated for these activities) these resources doubled in each subsequent budget period. In 1988-1989, they amounted to $US 5.1 million and represented one-third of total appropriation.

45. Also significant is the change which, during the 1980s, occurred in the balance between regular and extrabudgetary resources in favour of the latter in Part III, "Political Affairs trusteeship and decolonization". In 1980-1981, extrabudgetary resources exceeded regular budget funds by $US 3.4 million. In the subsequent biennium, however, the situation was reversed with regular funds exceeding those from extrabudgetary resources by about $US 2 million. 1984-1985 totally reversed the picture again, with an extrabudgetary resources increase of 3.2 times and a slight decrease in regular budget financing. Since then the relation between the two kinds of resources has remained almost constant. In the last biennium $US 33.4 million was allocated for part III from assessed contributions, while its extrabudgetary resources amounted to $US 95.3 million.

46. The extrabudgetary resources of the Office of the United Nations High Commissioner for Refugees (more than $US 890 million) constitute about half of all voluntary funds allotted for economic, social and humanitarian activities under Part IV of the programme budget ("Economic, social and humanitarian activities"). The increase in UNHCR's extrabudgetary resources is attributable to the fact that the number of refugees worldwide has almost doubled over the last ten years which resulted in the expansion of its activities. At present, UNHCR's expenditure financed from voluntary funds amounts to some 97 per cent and only 3 per cent is funded from the United Nations regular budget. Moreover UNHCR and UNRWA, i.e. two organizations whose activities are predominantly of a humanitarian nature absorb, at present, about 60 per cent of all United Nations extrabudgetary funds. It is the Department of Technical Cooperation for Development (DTCD) that ranks second with some $US 248 million, followed by regional economic commissions ($US 99.9 million), UNEP ($US 98.1 million), drug control activities ($US 94.0 million), Habitat ($US 46.6 million), United Nations Centre for Transnational Corporations ($US 6.7 million) and UNDRO ($US 3.1 million).

Table 3

Regular and extrabudgetary resources
of regional economic commissions
(in $US million)

	1980-1981		1982-1983		1984-1985		1986-1987		1988-1989	
	RB	EXB	RB	EXB	RB	EXB	RB	EXB	RB	EXB
ECE	25.6	3.2	23.7	3.2	22.8	2.8	23.5	1.4	34.6	4.0
ESCAP a/	26.1	43.2	30.2	41.0	33.9	39.1	30.8	41.1	33.5	45.0
ECLAC	42.2	20.9	44.9	16.8	43.2	19.7	49.0	17.4	48.1	24.3
ECA	29.7	30.1	37.3	30.0	46.4	19.3	51.8	20.5	51.2	27.9
ESCWA	14.5	7.5	19.5	4.5	27.3	5.3	35.0	6.1	36.8	4.5

a/ Figures for ESCAP were drawn from E/ESCAP/688, 24 February 1989, p.1 (Mobilization of Extrabudgetary Resources - Note by the secretariat), because of significant discrepancies between these figures and those contained in programme budget documents.

Source: Proposed Programme Budgets for the respective biennia.

47. Table 3 above illustrates significant differences in the ratio between budgetary and extrabudgetary resources of the regional economic commissions. The table suggests that only in ESCAP extrabudgetary funds exceed regular budget financing. In ECA and ECLAC they constitute 54.5 and 50.5 per cent, respectively, of regular budget expenditure. In ESCWA and especially in ECE, the share of extrabudgetary resources is substantially smaller: 12.2 and 11.6 per cent, in 1988-1989.

48. Among other recent trends in the United Nations extrabudgetary financing it is worthwhile to note a rapid increase of resources provided under Section 23 "Human rights", which at present amount to about half of its regular funds and which even in comparison with the 1986-1987 budget period have increased by almost six times.

49. Extrabudgetary resources provided for legal activities, public information services, administration and management in relative terms have not undergone similar changes and represent 7-8 per cent of total financing of activities in these areas.

50. As at 31 December 1988, 106 substantive trust funds were administered by the United Nations, including 30 funds established by legislative decisions and 76 established by the Secretary-General mainly in response to resolutions adopted by the General Assembly, the Security Council and the Economic and Social Council. However, out of the total, 98 substantive trust funds are considered by the Secretary-General as active. Their distribution by areas of

activity and origin is given below.

Active Substantive Trust Funds
(as at 31 December 1988)

Area	Number of trust funds: Established by legislative decision	Number of trust funds: Established by the Secretary-General
Emergency Assistance	2	8
Political and Security Council Affairs	4	7
Political Affairs, Trusteeship, Decolonization	5	1
Economic and Social Activities	8	24
Humanitarian Activities	5	6
International Justice and Law	2	1
Public Information	1	8
Common Support Services & Misc.	-	16
	27	71

Source: Data provided by Accounts Division, OPPBF.

51. The remaining eight substantive trust funds (three established by legislative decision and five established by the Secretary-General) are being examined for closure under the applicable financial rules and regulations. Trust funds are assigned to various departments and offices of the Organization based upon their respective mandates and competence and in accordance with the terms of reference of the trust without, in all cases, provision for intergovernmental review.

E. Support costs

52. This is a complex subject which certainly deserves an in-depth examination far beyond the scope of the study. A number of specific reports are currently being considered, including the Report of the Expert Group on the study of successor arrangements for support costs and related issues 11/. However, during the inspection the problem of support costs often arose. The Inspectors observed great concern with the future outcome of the discussion in the UNDP Governing Council, ECOSOC and the United Nations General Assembly.

53. Income from support costs or overheads covers roughly 50% of the costs of the Department of Technical Co-operation for Development (DTCD). One can say, therefore, that generally half of the Department's staff is at one time or another financed from this source of funds. A decrease in the income from overheads or support costs would have a definite effect on the capability of the Department to carry out its programme. This will also, although to a lesser extent, affect the central services supplied by the Secretariat, some of which are also financed from the source.

11/ See DP/1990/9; UNDP Governing Council decision 1990/26; and ECOSOC resolution IV, E/1990/115.

54. Income from support costs is also a critical component for regional economic commissions in the management of the regions' projects and programmes, all of which are aimed at developing the capabilities of their respective Member States. The Executive Secretaries of the regional economic commissions at their meeting held in Baghdad in May 1990 expressed concern over the continuing controversy and uncertainty regarding future arrangements over support costs. They noted that "though in terms of the size of execution the regional commissions account for a relatively small proportion of the over-all resources of UNDP, these invariably constitute the single largest source of their extrabudgetary funding for implementation of inter-country and regional projects. This underlines the significance of the proposed arrangement for the future of the regional commissions as executive agencies and for fulfilling their mandates under various General Assembly resolutions, including 32/197, 33/202 and 34/206". In their report, the Executive Secretaries further stated that "whatever decision was taken would have profound implications on the whole United Nations system, and that all possible options should therefore be considered with utmost care". In the Inspectors' view, the income from support costs is an important aspect of the entire extrabudgetary resource problem which will have to be followed very carefully as it evolves.

IV. MANAGEMENT AND REPORTING; SELECTED ISSUES

55. In the preceding chapter the Inspectors have commented on the recent positive changes in the presentation of extrabudgetary resources in budget documents. The Inspectors believe that with further improvements to be made - including those recommended by Member States, ACABQ, CPC, and those in the present report - a satisfactory level of transparency in this area will be attained.

56. Substantial improvement, however, is required in the domain of reporting. As JIU has already observed, despite the progress achieved in developing programme plans and budgets, the system remains incomplete and seriously weakened because an essential element is missing: there is no proper reporting mechanism to ensure adequate control by top management and by intergovernmental bodies. This observation is particularly relevant as far as extrabudgetary resources are concerned.

A. Policies and procedures

57. The Organization carries responsibility for all extrabudgetary funds made available to it as provided for in (a) the United Nations Financial Regulations and Rules 12/ and Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation 13/; (b) Secretary-General's administrative instructions; and (c) technical co-operation trust fund agreements between the United Nations and donor governments.

58. Thus, the United Nations Financial Regulations and Rules govern the establishment and management of trust funds (regulations 7.2 - 7.4 and rules 107.5 - 107.7). For the purpose of this Chapter, of particular importance is Regulation 7.3, which provides that "moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under regulations 6.6 and 6.7". These, in turn, stipulate that "trust funds, reserve and special accounts ... shall be reported to the Advisory Committee" (Regulation 6.6) and that "the purpose and limits of each trust fund reserve and special account shall be clearly defined by appropriate authority" (Regulation 6.7).

59. The establishment and management of trust funds also require observance of policies and procedures promulgated by the Secretary-General. The policies for establishing and managing trust funds were set out by the Secretary-General in his bulletin (ST/SGB/188 of 1 March 1982) which, inter alia, pinpointed the assignment of responsibility, and provided for delegation of authority and functional responsibilities within the Secretariat. Among the latter there are those mandating reports "to be made by implementing offices, as required, in the interest of effective management, evaluation and control".

60. The Secretary-General in his Administrative Instructions on general trust funds (ST/AI/284), technical co-operation trust funds (ST/AI/285), and programme support accounts (ST/AI/286), set procedures for such reports, including reports to legislative bodies, trust fund donors and offices at

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12/ See footnote 3, p.4.
13/ See footnote 10, p.14.

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Headquarters, together with overal' policy, financial and administrative responsibilities. Administrative instructions provide for two types of reporting (a) financial and (b) substantive. Thus, as far as general trust funds are concerned, financial reporting consists of:

(i) allotment reports to be prepared and issued monthly by the Accounts Division in the same manner as the regular budget allotment reports;

(ii) monthly unadjusted financial statements for trust funds accounted for at Headquarters, prepared by the Accounts Division and transmitted to the Budget Division;

(iii) financial statements for general trust funds showing income, expenditure, assets and liabilities to be prepared by the Accounts Division on a semi-annual and biennial basis, which are distributed to the Budget Division, the Treasury, the implementing offices, ACABQ, the Board of Auditors, the donors and other interested parties for review and action, as required.

61. Regarding substantive reporting, Administrative Instruction provides that annually, or more frequently as requested, substantive progress reports on implementation be prepared by the implementing office for each general trust fund. These reports are transmitted to the Budget Division. Copies of the reports for general trust funds in the economic and social sectors are also sent to the Office of the Director-General for Development and International Economic Co-operation.

62. Within the framework of financial reporting on technical co-operation trust funds:

(i) Offices away from Headquarters report technical co-operation trust fund accounts to Headquarters, semi annually, in the form of a financial statement showing income, expenditure, assets and liabilities. In addition, a schedule containing allotments and expenditures by project is prepared and forwarded to the Budget Division during the first quarter of each year.

(ii) The Accounts Division includes in its semi-annual and biennial financial statements the technical co-operation trust fund accounts of each office at Headquarters and away from Headquarters.

(iii) An annual statement of accounts for each trust fund is made available to the donors by the Accounts Division for implementing offices at Headquarters or by the finance units of implementing offices away from Headquarters.

63. Substantive reporting procedures in relation to these funds provide that:

(i) if required in the trust fund agreement, substantive progress reports are prepared by the implementing office. Copies of those reports are transmitted to the Budget Division;

(ii) an annual overall substantive review of the implementation of technical co-operation trust fund projects is prepared by the implementing office and is transmitted to the Office of the Director-General for Development and International Economic Co-operation, with a copy to the Budget Division.

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64. The above cited Secretary-General's administrative instructions provide that all general and technical co-operation trust funds, as well as programme support accounts, are subject to audit by the Internal Audit Division of the United Nations and the Board of External Auditors. No other additional or special audit arrangements are allowed by the Secretary-General.

65. The importance of extrabudgetary related provisions of Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation cannot be over-estimated. These in particular provide that " ... the planning, programming, monitoring and evaluation of all activities undertaken by the United Nations, irrespective of their sources of financing" 14/ (Regulation 1) and "activities undertaken by the United Nations shall be submitted to an integrated management process reflected in the following instruments (a) Medium-term plans; (b) Programme budgets; (c) Reports on programme performance; (d) Evaluation reports. Each of these instruments corresponds to one phase in a programme planning cycle, and, consequently, shall serve as a framework for the subsequent phases. (Regulation 2.1).

B. Reporting to Member States

66. The Inspectors share the opinion of the Advisory Committee to the effect that adequate control of extrabudgetary resources should not only involve the Secretary-General but also directly involve the intergovernmental bodies as pointed out in para. 56 above.

67. It is the view of the Inspectors that the reporting mechanism should provide a brief overview of extrabudgetary activities in the United Nations, covering programme, financial and personnel aspects. The information should be presented clearly using tables, graphics, charts as necessary. The information should also serve as a management tool to help identify weaknesses in inputs and outputs, and the attainment of objectives.

68. The Secretary-General in his report to ACABQ admits that in all cases a process does not exist for formal or regular review of operation of substantive trust funds by an intergovernmental body. Responsibility for substantive trust funds is assigned to various departments and offices of the Organization based upon their respective mandates and competence, and in accordance with the terms of reference of trust funds without, in all cases, provision for intergovernmental review. By comparison, technical co-operation trust funds lend themselves to a greater measure of intergovernmental scrutiny where they are programmed as an integral part of the overall budget preparation for the organizational units concerned. In these cases, the intergovernmental body responsible for reviewing the work programme of such organizational units is in a position to consider the work programme as a whole without distinction between resources derived from the regular budget and those obtained from extrabudgetary resources.

69. The Secretary-General considers that regular reviews by appropriate intergovernmental bodies covering substantive aspects of activities, financed with assessed and voluntary contributions, are required. Those bodies could provide the General Assembly or Economic and Social Council with their views, as appropriate, taking into account the comments of the Advisory Committee for Administrative and Budgetary Questions and the Committee for Programme and Co-ordination.

14/ See document ST/SGB/PPBME (1987), Rule 1, p.7.

/...

70. The Secretary-General suggests the level of biennial expenditure as one possible criterion for determining which trust fund should be examined by ACABQ. This implies that if a minimum of $100,000 is set, about 52 out of the 106 substantive trust funds would fall into the category to be reviewed by the Advisory Committee.

C. Reporting tasks in the field and at Headquarters

71. Having analyzed the reasons for inadequate reporting to Member States on extrabudgetary resources and activities financed therefrom, the Inspectors came to the conclusion that this, to a certain extent, is a result of poor reporting to Headquarters. The Inspectors believe that decentralization and delegating more authority away from Headquarters, necessary in order to increase the flexibility and efficiency of the system, unfortunately entailed in some cases, disregard for reporting responsibilities.

72. The Central Administration itself has no complete picture of the volume of extrabudgetary resources actually made available to the Organization. In fact, some voluntary funds received away from New York, contrary to the Financial Regulations and Rules, are not reported to the Controller. Nor is the Central Administration aware of the total number of people working in the Organization.

73. The Inspectors observed that comparison between official data on extrabudgetary staff provided by regional economic commissions and that contained in the roster (Roster of Staff, Division of Administration, Personnel section) reveals significant discrepancy. Thus, if the first source indicates that, in 1988-1989, for example, there were 50 professional and 177 LL (GS) posts in ESCAP, the roster shows, accordingly, 90 and 239 posts. Similar differences may also be observed in other regional economic commissions.

The Inspectors feel that all data on extrabudgetary funds should be communicated regularly as required by reporting guidelines and Administrative Instructions. Complete information should also be provided on extrabudgetary posts which would indicate separately operational posts and posts for programme support and substantive activities. The Inspectors suggest that all posts financed from any extrabudgetary sources should be reflected in budget submissions (Form 3) of the United Nations departments and offices and that instructions for the preparation of submissions for the Secretary-General's biennial programme budget should be changed accordingly.

74. Moreover, the exact number of non-reimbursable experts is not known. Considered, in principle, as a "free good" and being on donor-governments' payroll, they however occupy office space, require secretariat support etc. In short, the Organization bears a certain amount of expenditure. There is no systematic reporting on what non-reimbursable experts are doing, nor on how what they are doing is related to the United Nations and recipient countries priorities. Another problem which arises in this respect is that of dual responsibility of non-reimbursable experts (towards particular Member States and the Organization) and the proper balance between these two types of responsibilities. In the Inspectors' view the Secretariat should develop a methodology of reporting on non-reimbursable experts.

75. Because of the considerable importance attached to the subject of extrabudgetary activities and the need to ensure compliance with existing regulations, rules and instructions, it is essential that the United Nations Headquarters should devote much more attention to extrabudgetary resources. Up to now activities financed from extrabudgetary resources continue to be

operated in a casual, haphazard manner. In the field offices the Inspectors were made aware that Headquarters is sometimes slow to reply to their requests, and decisions are delayed. For this reason, they prefer to avoid sending all of their reports to Headquarters.

76. The Inspectors believe that management, overview and reporting for extrabudgetary activities should become a well-defined and high priority responsibility of the staff in the Office of Programme Planning, Budget and Finance within the Department of Administration and Management, and should become a much more important element of the Internal Audit Division (see paras. 77-85 below). The Inspectors were informed that the Controller was going to establish a central focal point within his office where all extrabudgetary activities, inter-alia, the acceptance of voluntary contributions, the approval of expenditure plans, creation of posts, determination of grade levels, clearing of documents to intergovernmental bodies, reporting to ACABQ, Fifth Committee, CPC and the General Assembly would be performed. The Inspectors believe that these tasks could be shared with the Division of Finance, Accounting Division and other units concerned with extrabudgetary activities.

D. Internal and external audit

77. The review of programmes and activities financed from extrabudgetary as well as regular budget resources to compare implementation of output with the commitments set out in the programme narratives in the approved programme budget is entrusted to the Internal Audit Division under rule 110.41 of the Financial Regulations and Rules of the United Nations and rule 106.1 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. As mandated under that financial rule, the review constitutes one of the elements of the Division's audits which are to be conducted independently and in conformity with the other generally accepted common auditing standards. Among other things, the Division shall review, evaluate and report on the soundness, adequacy and application of systems, procedures and related internal controls.

78. The Internal Audit Division has a computerized system of recording and following up audit recommendations. It plans to expand this system to cover external audit recommendations as well. The detailed follow-up procedures are set out in the Division's manual. They are designed to ensure that all audit recommendations are thoroughly considered by management and that a record of their implementation and eventual disposal is maintained in the Division's database. Provision is also made in the database for a system of recall to ensure that in subsequent audits not only is an adequate review made of the effects of the prior recommendations, but also that prior recommendations, not satisfactorily implemented, are investigated and followed up.

79. Moreover, in accordance with a request of the General Assembly in its resolution 44/183, para. 19, the Internal Audit Division has included in its annual audit programme, follow-up audit work to assess the corrective action taken by the administration in response to the main recommendations of the Board of Auditors.

80. During the inspection, the Inspectors observed that the attention paid by internal audit to extrabudgetary resources is not commensurate with the volume and importance thereof. They also noted that in some instances insufficient attention is being paid by the departments concerned to audit recommendations. In other instances, those departments have not always implemented promised actions in response to audit recommendations.

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81. The Inspectors believe that there is a need for one comprehensive report showing the status of audit recommendations. This would be helpful to organizational units responsible for the management of extrabudgetary resources. The Division of Internal Audit and the Board of External Auditors could prepare this report and it could be incorporated into the Secretary-General's report in connection with the Financial Report and Audited Financial Statements.

82. In view of new policy problems and management weaknesses existing at present in the administration of extrabudgetary activities, the Inspectors believe that the audit function should be given more importance and independence. The necessity of giving more emphasis to the audit function has been a long-standing concern of both the internal and external auditors of the United Nations but extensive audit coverage has been hampered by resource constraints. Action has, however, been taken in recent years to expand audit coverage of programme expenditures at both Headquarters and in the field offices. Regarding the independence of the audit function, the Inspectors recall that the Group of High-level Intergovernmental Experts ("Group of 18") in its report recommended "that the internal audit function should be separated administratively and be independent from the function of implementation and disbursement of funds. To this end, the Internal Audit Division, which is now a part of the Department of Administration and Management should become an independent unit." 15/ (Recommendation 39).

83. The Secretary-General in his final report on implementation of resolution 41/213 stated, however, his belief that the existing organizational status of Internal Audit Division was sufficient to maintain its independence and to assure a broad range of audit coverage and effective follow-up on audit findings and recommendations 16/. Therefore, no change was made.

84. In the Inspectors' opinion, these arrangements hamper the ability of the Internal Audit Divison to ensure effective and independent audit, particularly in respect of the Department of Administration and Management.

85. The Inspectors believe that recommendation 39 of the "Group of 18" is still valid. Therefore, they suggest separating the Internal Audit Division from the Department of Administration and Management and making the Division directly responsible to the Secretary-General.

E. Reporting on Performance

86. On several occasions and most recently in its study "Reporting on the performance and results of the United Nations programmes: monitoring, evaluation and management review components" (JIU/REP/88/1), the Joint Inspection Unit observed that reporting on performance is undoubtedly the weakest point in the United Nations entire reporting exercise. In this connection the report says "There is no regular systematic reporting on programme performance and results to top management and intergovernmental bodies." This is particularly true as far as activities financed from extrabudgetary resources are concerned.

15/ Official Records of the General Assembly, Forty-first Session, Supplement No.49 (A/41/49), p.21.

16/ Review of the Efficiency of the Administrative and Financial Functioning of the United Nations. Final report of the Secretary-General on the implementation of resolution 41/213 (A/44/222, 26 April 1989, p. 35).

87. In fact, within the framework of reporting on performance, Member States are provided with programme budget performance and programme performance reports. The inadequacy of both reports is evident. In fact, two budget performance reports are prepared in each biennium. One is prepared after a period of six months of a biennium and the other after completion of 18 months. The first performance report deals mainly with financial aspects and provides the delegates only with revised estimated expenditures from the regular budget broken down between different programmes along budget lines (salaries and common staff costs; travel; printing; other contractual services; general operating expenses; supplies, materials, furniture and equipment; other; total). It contains no information on extrabudgetary resources, while the second performance report provides only a fascicle containing global revised estimates for each budget section and a limited account on programming aspects. The Inspectors believe that this kind of information is hardly of use for delegates, the more so because the programme budget performance report is issued at the very end of the General Assembly session in December (the programme budget performance report of the United Nations for the biennium 1988-1989 was issued on 12 December 1989) i.e. when delegates are not in a position to make their comments thereon. Lack of useful information and awkward timing are major deficiencies of the document which otherwise could have been much more useful.

88. The deficiencies of the "Programme performance report" are of the same type. As has already been observed by JIU they "provide only a very mechanistic tabulation of the thousands of programme 'outputs' produced, which tells intergovernmental bodies almost nothing about actual programme results, efficiency and effectiveness relative to the objectives which were set. Member States do not presently have the information on programme performance and results that they need to help them determine future programmes and achieve operational improvements." 17/

89. In the course of CPC's twenty-eighth session, a number of delegations expressed serious reservations about the utility of a purely quantitative approach to output measurement (see Report of the Committee for Programme and Co-ordination on the work of its twenty-eighth session, document A/43/16, para. 26). The incorrect timing of presentation of programme performance reports may be illustrated by that of the 1986-1987 biennium. In fact, the first draft of this report (A/43/326) comprising of (i) introduction; (ii) general observations; (iii) methodology; (iv) summary discussions and overview; (v) recommendations, was issued on 28 April 1988, i.e. three days before CPC's twenty-eighth session (2 May - 3 June 1988) started its work. The major part of the report (A/43/326/Add.1) containing detailed data on programme performance by budget section, was issued only on 26 July. Furthermore, corrigendum (A/43/326/Corr.1) which changed significantly the comparison figures of programme outputs for the biennium 1986-1989 with the biennium 1984-1985 as well as summary analysis by section of actual programme performance at the output level in 1986-1987, was dated 19 September, i.e. when the resumed twenty-eighth session (6-19 September) was already over. In its report (A/43/16, para. 26) the CPC observed that it was not able to take into account in its conclusions and recommendations the above addendum (A/43/326/Add.1) because of its late issuance.

90. Substantive, comprehensive performance reports, requested since the 1950s, would finally integrate monitoring and evaluation as normal working tools for programme decision-making by top management and intergovernmental

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17/ JIU/REP/88/1, para. 3.

bodies, as already called for (but not yet achieved) by the programme planning regulations which the General Assembly approved in 1982. They would strengthen programme formulation and implementation by providing timely progress and results information. They would provide clearer accountability and programme transparency. Finally, they would provide more systematic information on progress, problems and effectiveness to allow United Nations decision-makers to adapt programmes much more rapidly and creatively to the inevitable changes and challenges which the 1990s would bring.

91. The Inspectors confirm the JIU's earlier view (JIU/REP/88/1) that this aim may be achieved by restructuring the programme performance report in such a way as to analyse progress made and results achieved against the established objectives for each United Nations sub-programme. This report should be submitted concurrently with the biennial proposed programme budgets, in order to finally join "results" information with "intentions" information as intergovernmental bodies have long sought.

92. The Inspectors believe that the format of the budget performance report should be changed so as to make it more transparent as far as utilisation of extrabudgetary resources is concerned.

93. In the Inspectors' view, an ideal document on programme performance should include a budget performance report, so that all expenses incurred be shown against actual outputs obtained, within the framework of activities financed both from assessed contributions and extrabudgetary resources. Inter-relationship between regular budget and extrabudgetary activities would, on the programme by programme basis, be then evident to Member States.

94. In this connection, the Inspectors would like to recall that General Assembly resolution 44/194 on Programme Planning, inter alia, requested the Secretary-General "to continue to improve the methodology for monitoring and reporting on programme performance in order to enhance the meaningful determination of implementation rates and comparison between actual delivery of final output and commitments set out in the programme narratives of the approved programme budgets". It requested further the Secretary-General "to develop a methodology for the harmonization of programme performance and budget performance reporting."

F. Practices and problems

95. From their conversations with United Nations officials the Inspectors have become aware of difficulties and factors which hinder the application of the Financial Regulations and Rules and the relevant Secretary-General's administrative instructions governing the management and reporting on extrabudgetary resources.

96. The Inspectors were concerned to note that a number of United Nations officials dealing with extrabudgetary resources did not have sufficient knowledge of both the existence and content of these important documents. The Secretary-General in his report to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) acknowledged that " ... the major problems that need to be addressed include the lack of awareness of the existing rules on the part of all concerned, and regulations and internal procedures governing the acceptance and utilization of extrabudgetary funds" 18/. The absence of this kind of information has led to: (a) considerable uncertainties

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18/ See A/44/7/Add.2, 8 December 1989, para. 2.

as to the financial regulations and rules which govern the management of extrabudgetary resources, serious confusion about the appropriate procedures to be followed and, (c) resulted in vagueness in reporting on the use and management of extrabudgetary resources.

97. On the other hand, the Inspectors were favourably impressed to see that officials in some offices - ESCAP for example - were more than familiar with the relevant rules and procedures. To a large extent this is attributable to each official concerned having in his possession a copy of "XB Project Manual" (containing necessary documents on rules, policies, procedures, as well as forms/patterns related to management of and reporting on extrabudgetary resources) prepared and circulated by ESCAP Technical Co-operation Department.

98. There are also certain factors hindering the correct management and reporting which are immanent to the Financial Regulations and Rules and Administrative Instructions. For example, among many operational units of the United Nations it is felt that certain provisions of the United Nations Financial Regulations and Rules in force today are no longer relevant to the particular concerns of technical co-operation, i.e. their main sphere of activity. It is argued that these regulations and rules were drafted to suit the needs of the United Nations at a time when the range of activities was far more circumscribed. Moreover, the rapid pace of technical co-operation and the need to respond in a timely manner to urgent needs of developing countries make demands on the units concerned which they cannot meet without the adequate delegation of authority. For example, responsibility for arranging the travel of consultants is divided between DTCD, OGS and OPPBF. In other words, the separation of functions and responsibilities hampers the ability of the operational units to reflect in their response the urgent nature of many of the requests of developing countries.

99. Others consider the application of rules, regulations and instructions sometimes difficult because of ambiguity of classification of individual trust funds which affects proper reporting. Indeed, as already mentioned in para. 17 above, the United Nations Financial Regulations and Rules classify trust funds into two major categories: (a) general trust funds, and (b) technical co-operation trust funds. They provide that general trust funds are established to support any activities except those which are exclusively of a technical co-operation nature and may be used, for example, to enhance or expand the work programme of one or more organizational units of the Secretariat, or for humanitarian or relief purposes to provide direct assistance in respect of emergency situations. Sometimes general trust funds are referred to as substantive trust funds. Technical co-operation trust funds are defined as those which provide economic and social development assistance to developing countries, as normally rendered in the form of experts and associate experts, the financing of individual or group training.

100. Similarly, more clarity is needed as far as the definitions of operational and substantive activities (see paragraph 41 above) are concerned. The United Nations budget documentation suggests that over the 1988-1989 budget period there was significant redistribution, compared to the previous biennium, of ESCAP extrabudgetary resources in favour of the latter. Accordingly, ESCAP extrabudgetary posts were redistributed which implied that some of these posts earlier used for field projects could be assigned to ESCAP headquarters. In the Inspectors' view, this may be attributed to the ambiguity of the above definitions and, as a result, their somewhat arbitrary

interpretation. The Secretary-General in his report to ACABQ 19/ acknowledges that the distinctions between the two categories is not clear in all cases and that this matter requires further scrutiny.

101. According to ACABQ's latest report (A/44/7/Add.7), the Secretary-General intends to take measures to ensure that each person involved in the acceptance and utilization of extrabudgetary resources is fully informed on all aspects of the issue and is aware of the duties, authority and responsibilities in this regard. In this connection, the Inspectors believe that the course of action intended to be followed by the Secretary-General is, in general, a laudable one. However, the Inspectors also believe that the Secretary-General should, in addition, review the existing United Nations Financial Regulations and Rules, together with the related administrative instructions and guidelines, to see to what extent they tally with: (a) the particular needs and time frame of United Nations technical co-operation activities; (b) the rapidly changing environment surrounding both the funding and the implementation of technical co-operation; and (c) the concerns of Member States as reflected in legislative texts. On the basis of his review, the Secretary-General should then propose changes, if he deems it necessary. The Inspectors further believe that the earliest possible issue and dissemination of all regulations, rules and procedures - revised or not - is a prerequisite for the attainment of the full and strict implementation of the principles and guidelines on the acceptance and utilization of United Nations extrabudgetary resources established by the General Assembly.

102. The Inspectors believe that a manual similar to that mentioned in paragraph 97 above should be issued and circulated among all the departments and offices of the Organization. The application of this manual should be ensured, e.g. within the framework of subsequent internal and external audits (follow-up on audit recommendations see para. 110 below).

19/. See A/CN.1/R.1111, para.2, dated 23 October 1989.

V. CONCLUSIONS AND RECOMMENDATIONS

103. In the course of their study on the United Nations extrabudgetary resources the Inspectors observed that among major problems to be resolved in this area are those of (a) transparency of presentation of extrabudgetary resources in budgetary and financial documents and above all in the proposed programme budget; (b) compliance with the relevant existing Rules and Regulations, and (c) reporting on the use of extrabudgetary resources and activities financed therefrom. As already indicated in paragraph 9 of the Introduction to the present report, the Inspectors believe that an improved transparency in the presentation of information on extrabudgetary resources would tend to inspire confidence about the Organization's management of extrabudgetary resources and encourage donors to increase their contributions to the United Nations extrabudgetary activities. This conclusion is confirmed by recent reviews by the United Nations Board of Auditors.

Transparency of the programme budget

104. In Chapter III of this report the Inspectors have identified major deficiencies in presentation of extrabudgetary resources in budget documents. Several approaches to improve the transparency of the programme budget were discussed. In fact, the only idea which appeared to the Inspectors as unacceptable was that of a "split budget". This approach preferred by some is, in the Inspectors' view, neither appropriate nor cost-effective. If adopted it would finally destroy the hard-earned progress to establish a coherent programme budget and programming exercise as embodied in Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation. Secondly, the preparation of two separate budget documents would undoubtedly be cumbersome, entail significant expenditures, and result in loss of time by the governing bodies.

105. Therefore, the Inspectors believe that the existing document should be improved rather than establish a new document and procedures, which would, among other things, require a reversal of the General Assembly decision. In this connection, the Inspectors took note of the Secretary-General's proposal to complement the type of data contained in Annex VIII of the overview tables to the programme budget with relevant narrative information. In his view, the introduction to the biennial programme budget could be expanded to include a specific chapter on extrabudgetary resources that would summarize certain programmatic aspects of these activities, their resource levels and the number of posts to be financed from various sources.

106. The Inspectors consider that from the point of view of presentation of extrabudgetary resources the proposed programme budget should be a handy and coherent document. Apart from presentation of comparisons at the sub-programme level with the previous biennium, references to previously identified and continuing extrabudgetary outputs should be made throughout the report.

107. The specific chapter suggested by the Secretary-General should aim to present a succinct analysis of major trends in:

(a) utilization of extrabudgetary resources by programme;

(b) provision of extrabudgetary resources by major donors (Member States, international organizations, bilateral sources, others); and distribution of resources by major entities;

(c) actual availability of resources against forecasts.

In addition, this chapter should contain an analysis of whether the suggested extrabudgetary activities are relevant to the mandate of the Organization, and support or distort programme priorities. The analysis should be underpinned by comparative tables and graphs. The number of posts financed from extrabudgetary resources should be broken down in accordance with the activities carried out (a) substantive activities; (b) programme support; (c) operational activities.

RECOMMENDATION 1: The Secretary-General should present the proposed programme budget in respect of extrabudgetary activities along the lines suggested above.

Management and reporting issues

(a) Policies and procedures

108. As mentioned in paragraph 96 above, the Inspectors were concerned to note that a number of United Nations officials, dealing with extrabudgetary resources, did not have sufficient knowledge of the United Nations Financial Regulations and Rules concerning administration and reporting on extrabudgetary resources. The Secretary-General himself in his report to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) acknowledged that ' ... the major problems that need to be addressed include the lack of awareness of the existing rules on the part of all concerned, and regulations and internal procedures governing the acceptance and utilization of extrabudgetary funds'. Insufficient knowledge of this kind of information has led to deficiencies in reporting on the use and management of United Nations extrabudgetary resources.

RECOMMENDATION 2: In order to assist United Nations staff involved in the acceptance and utilization of extrabudgetary resources and to provide authoritative guidance on all aspects of the process, the Secretary-General should prepare and circulate among the officials concerned an "Extrabudgetary Resources and Activities Manual" containing relevant regulations and rules, administrative instructions and circulars. A series of training seminars for the staff concerned should also be envisaged, using the manual as a resource document.

109. The Inspectors do not think there is an imminent need for radical initiatives, particularly because the United Nations Secretariat is already considering the introduction of useful innovations into the next proposed programme budget document. They welcome the decision of the General Assembly adopted at the forty-fourth session, requesting the Secretary-General to prepare a report for consideration by the forty-fifth session of the General Assembly. The report is to include a number of specific points that will provide an informative overview of this segment of the United Nations funding. The immediate need is to refine existing administrative and budgetary arrangements focusing on key issues.

RECOMMENDATION 3: In order to achieve a greater measure of intergovernmental scrutiny, the corrective steps discussed in Chapter IV should be carefully considered, namely, those concerning reporting to Member States and reporting on performance.

(b) Audit follow-up

110. The Inspectors noted that in some instances insufficient attention is being paid to audit recommendations. In other instances, promised actions have not always been implemented. There are, however, some data available on the status of audit recommendations but it is fragmented and not readily available to Member States.

RECOMMENDATION 4: A comprehensive report on the status of implementation of major audit recommendations should be prepared by the Secretariat either as a separate document or as a part of the Secretary-General's report in connection with the Financial Report and Audited Financial Statements.

111. The Inspectors have not been convinced by the arguments favouring no change in the existing organizational status of the Internal Audit Division, as presented in paragraph 84 above. The Inspectors are of the view that for internal audit to be truly independent (particularly in respect of the Department of Administration and Management) and effective, the Internal Audit Division should be transferred from the Department of Administration and Management and made directly responsible to the Secretary-General. This view coincides with that of Recommendation 39 of the Group of 18 that "the internal audit function should be separated administratively and be independent from the function of implementation and disbursement of funds."

RECOMMENDATION 5: The Internal Audit Division should be separated from the Department of Administration and Management and made directly responsible to the Secretary-General.

(c) Performance

112. In the Inspectors' view reporting on extrabudgetary resources to Member States needs to be improved substantially. The Inspectors believe that the programme performance report should also contain a comprehensive analysis of the outputs achieved against the objectives vis-à-vis the activities financed from extrabudgetary resources, as required by Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation. The budget performance report should also contain more detailed data on extrabudgetary resources. Both documents should give Member States full information concerning actual use of extrabudgetary resources which should allow them to make comparisons against objectives set in the programme budget.

RECOMMENDATION 6: The Inspectors believe that in order to ensure a more effective integrated management process the Secretary-General should take measures to improve both the format and the content of programme performance and budget performance reports in such a way that it should facilitate a comprehensive analysis of the results obtained against objectives set in the proposed programme budget. The Secretary-General should also take measures to ensure timely presentation of these documents to respective governing bodies. The Inspectors are confident that documents modified along these lines would be of great help in preparing the subseqeunt medium-term plans of the Organization.

ALLOCATION OF REGULAR BUDGET AND EXTRABUDGETARY RESOURCES BY SECTION OF THE PROGRAMME BUDGET DURING THE 1980s AND ESTIMATES FOR 1990-1991
(in thousands of United States dollars)

	1980 - 1981		1982 - 1983		1984 - 1985		1986 - 1987		1988 - 1989		1990 - 1991	
	RB	EXB	RB	EXB	RB	EXB	RB	EXB	RB	EXB	RB	EXB
1. Overall policy-making, direction and co-ordination												
A. Policy-making organs												
B. Executive direction & management	28114.7	133.7	38849.5	919.6	40173.4	1656.4	46148.9	1672.8	50213.7	1955.0	53449.7	2410.6
2A. Political & Security Council affairs, peace-keeping activities	66912.6	373466.3	76918.6	495141.4	82267.9	482089.9	84370.0	381020.5	91820.9	443136.1	86417.2	486118.0
2B. Disarmament affairs activities	-	-	7408.2	-	9316.5	1119.7	10255.4	2246.7	10247.6	5093.1	10706.4	5428.0
2C. Office for Ocean Affairs and the Law of the Sea	-	-	-	-	-	-	-	-	7438.1	-	8317.3	-
3. Political affairs, trusteeship and decolonization	14855.6	18295.0	21106.7	19037.1	28696.5	61230.5	30677.7	66515.0	33419.3	95269.8	35448.0	107041.8
4. Policy-making organs (economic & social activities)	8320.8	-	2597.5	1000.0	3936.0	512.6	2666.4	-	1982.4	-	2083.5	-
5A. DIEC	2526.5	-	3280.5	514.9	3722.2	611.8	3813.4	646.6	4072.8	2007.6	4519.5	990.3
5B. Regional Commissions New York Office	-	-	-	-	620.9	-	668.3	-	155.9	-	830.9	-
6. DIESA	40489.2	9142.9	43669.7	8376.5	50056.8	8359.7	55783.5	36326.4	42236.1	56989.5	44673.0	61063.0
7. DTCD	13680.4	287144.3	15647.3	-	18100.4	242370.3	20611.3	258770.0	21917.1	248323.0	23541.3	250925.0
8. Activities on global social development issues	-	-	-	-	-	-	-	-	10261.9	2634.8	11248.9	870.2
9. Transnational corporations	7589.6	4620.6	9000.3	3898.5	9783.5	3750.9	10178.7	4170.0	9878.7	6665.9	10737.9	7082.9
10. ECE	25603.0	3242.9	23749.2	3223.0	22784.8	2766.7	30942.5	2059.3	34619.0	4083.7	35644.7	3863.2
11. ESCAP	26120.5	33295.0	29155.7	51550.0	34998.0	43671.0	34840.4	47691.0	35848.0	39099.0	39413.0	50624.0
12. ECLAC	42217.8	20927.8	44863.0	16764.8	43210.3	19652.6	39284.2	19248.9	42811.0	24298.8	49990.2	22239.1
13. ECA	29701.3	30049.5	37302.5	29994.9	46358.1	19335.2	46063.3	20366.4	51207.2	27911.2	59112.8	30283.7
14. ESCWA	14451.5	7530.6	19502.5	4475.1	27302.8	5316.6	32722.9	5219.6	36766.2	4541.3	42633.9	4747.6
15. UNCTAD	54960.6	29404.0	52411.7	25879.4	51577.5	21170.1	69278.1	19499.7	76958.2	22381.7	78654.8	34147.2
16. International Trade Centre	8866.3	-	8293.7	-	7892.3	-	10764.0	-	13409.1	-	15400.8	-
17. Centre for Science and Technology for Development	3065.3	-	3615.6	-	3995.2	-	4224.8	-	3824.0	102.2	4174.2	107.0
18 UNEP	11224.7	87033.2	11704.6	96478.6	9976.3	78577.0	10117.1	80564.8	10591.3	98109.0	11939.4	124305.4
19. UNCHS (Habitat)	8138.3	34831.4	9131.3	37479.9	8816.9	43012.0	8364.9	46820.2	8722.5	46663.3	10528.2	50069.4
20. International drug control	6204.4	14491.3	5881.0	15931.4	5451.6	27390.1	7158.1	40252.8	7433.6	93965.1	8478.8	130771.2
21. UNHCR	27302.8	844084.0	28939.9	804566.1	28484.4	820180.4	36701.4	871900.0	35932.0	893770.0	37576.4	1112423.0
22. UNDRO	4830.1	2364.2	4856.2	2132.8	4794.0	2452.6	6418.3	2535.0	6944.8	3111.0	6910.7	3595.0
23. Human rights	10431.0	574.2	10789.6	798.2	10310.0	766.0	14078.1	998.8	16937.0	5971.5	17387.7	8091.4
24. Regular programme of technical cooperation	28034.8	-	30843.9	-	32932.9	-	29325.9	-	32418.4	-	35812.8	-
25. ICJ	8945.9	-	8956.7	-	9049.7	-	11485.6	-	13250.8	-	13682.6	-
26. Legal activities	10639.3	736.5	13061.8	968.4	15040.7	1084.0	16282.1	1202.3	16634.0	1342.3	18550.0	1359.9
27. Public information	48818.6	5146.6	64635.0	5045.9	70170.6	6523.9			78255.8	5280.0	84870.9	4730.0
28. Administration & management	245038.0	14709.6	265778.5	20678.0	303456.5	24398.6	338782.9	28681.1	371150.8	29662.0	405872.8	41375.4
29. Conference & library services	202642.5	1202.0	245223.5	1256.0	266603.7	1426.1	310763.5	1594.2	324950.4	2245.9	359028.3	2842.6
30. United Nations Bond Issue	17056.0	-	17220.3	-	16769.1	-	16758.6	-	3520.8	-	-	-
32. Construction, alteration, improvement & major maint.of premises	53740.2	-	36081.8	-	244735.6		30823.1	-	19096.0	-	71644.6	

Source: Proposed Programme Budgets for the respective biennia.

ANNEX